

January 25, 2005

The Honorable William Thomas
Chairman, Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20500

Dear Chairman Thomas:

We are extremely concerned about the potential consequences of your recent comments regarding proposed changes to Social Security. In your interview this weekend on Meet The Press, you stated, "We also need to examine, frankly, Tim, the question of race in terms of how many years of retirement do you get based upon your race? And you ought not to just leave gender off the table because that would be a factor." This would suggest that the Ways and Means Committee would consider proposals to provide women and minority workers with a different level of benefits in their retirement than male and white workers. We also find equally troubling your comments refusing to rule out drastic cuts in the guaranteed benefits provided to all Social Security beneficiaries, which would disproportionately affect women, African American and Hispanic workers.

A recent study by the Congressional Black Caucus Foundation concluded that Social Security is extremely important for the millions of African American families who heavily rely on its survivor, disability, and retirement benefits. African American children are especially reliant on Social Security's steady benefits comprising 20 percent of all retired worker child beneficiaries, 23 percent of all child survivor beneficiaries, and 21 percent of all disabled worker child recipients. Also, private accounts would not come close to making up for the drastic benefit cuts that you and others have proposed. Young African American workers who experience early disability or death would not have enough accumulated in their individual accounts to cover the amount of the cuts. Black children and widows are likely to suffer the most.

Social Security is equally as important for Hispanic families. Over 76 percent of all Hispanics over age 65 rely on Social Security for 50 percent or more of their total income. Without Social Security, almost 33 percent of older Hispanics would fall into poverty. This is especially important for older Hispanics whose poverty rate of almost 22 percent is already more than twice that of the general population over age 65.

Arguments that minorities would receive great wealth from individual accounts are misleading and overlook the fact that existing racial income disparities would remain or even widen under individual accounts even if people of color and whites were earning the same rate of return. African Americans and Hispanics, who have lower earnings and higher rates of unemployment, would be severely disadvantaged by the elimination of a real progressive benefit structure in a system of individual accounts.

Today, the President is scheduled to meet with African American leaders and pastors at the White House to discuss Republican proposals for Social Security. As the Chairman of the Ways and Means Committee, the President takes your counsel and advice seriously. We hope that you will immediately clarify your previous statements regarding benefit cuts and the role race and gender should play in any Social Security proposal. In addition, we encourage you to explain to the public how your goal of privatizing the Social Security program makes it easier, not harder, for people of color to achieve the financial security they have earned through a lifetime of hard work.

Sincerely,

Stephanie Tubbs Jones
House Ways and Means Committee

Xavier Becerra
House Ways and Means Committee